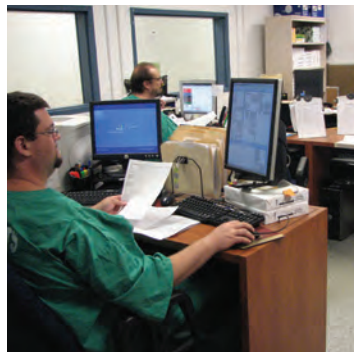
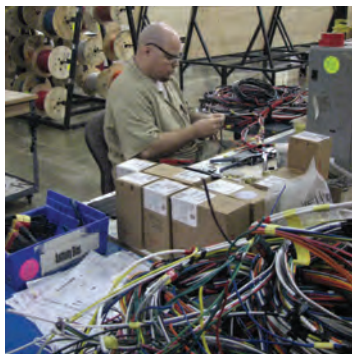


Purchase Products—Support Re-Entry



Annual Report
2010





Miami Correctional Facility, filters, Joint Venture

Photos on front cover:

Top left: Miami Correctional Facility wire harness

Top right: Miami Correctional Facility sew shop

Left: Plainfield Correctional Facility, Commissary, entering orders

Bottom: Indianapolis Re-Entry Educational Facility, Career Resource Center



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Indiana Department of Correction

Vision

As the model of public safety, the Indiana Department of Correction returns productive citizens to our communities and supports a culture of inspiration, collaboration, and achievement.

Mission

The Indiana Department of Correction advances public safety and successful re-entry through dynamic supervision, programming, and partnerships.



Message from Commissioner Edwin G. Buss

Greetings:

PEN Products' mission remains to employ offenders within the Indiana Department of Correction, teaching them marketable skills and a work ethic while operating in a self-sustaining manner. PEN Products, itself, is a self-funded re-entry program for the Indiana Department of Correction.

I am proud of the accomplishments that PEN has achieved in this difficult year. I commend PEN on their innovative approach to increasing offender jobs and challenge PEN to continue to find cost savings for the state.

Joint ventures with private sector businesses also continue to add offender jobs. Private sector companies find a stable and available workforce, and provide job opportunities that teach valuable job skills to the offenders.

I continue to be proud of PEN Products for their implementation and sustained growth of the U.S. Department of Labor Apprenticeship Program. PEN is providing offenders an opportunity to earn a viable work certificate issued by the U.S. Department of Labor. PEN is a national leader in the Apprenticeship program and has been applauded by the U.S. Department of Labor as a model best practice in correctional industries.

I commend PEN Products staff and cheer efforts and how they serve Indiana government and Hoosier taxpayers. Preparing offenders for a successful re-entry to the community is a challenge faced by the Indiana Department of Correction.

Director Mike Herron and the PEN Products staff are doing their part by providing valuable products to Indiana Government, teaching jobs skills and preparing offenders for re-entry.

A handwritten signature in blue ink that reads "Edwin G. Buss". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.



PEN Products' **Mission**

PEN Products equips offenders for successful re-entry through meaningful work while operating in a self-sustaining manner.

PEN Products' **Vision**

PEN Products workers positively impact the recidivism rate.

Acts 1917, Chapter 83, Sec. 1, Page 237, authorizes prisons in the State of Indiana to manufacture "articles and products as may be found practical" for use by the state, its institutions and political divisions and to sell the surplus upon the market. Indiana Department of Correction was established in Acts 1961, Chapter 343, Sec. 3, Page 1051. Under this Act, the Division of Industries and Farms was created to administer the operation of offenders who produce goods and services for sale to state agencies and residents of Indiana.

Indiana Code 1991, 11-10-6-2 Sec. 2. (a) The Department shall establish, maintain, and operate industry and farm programs for offenders assigned to equip the participant with a marketable skill which will provide to participant a means of earning a livelihood upon the participant's return to the community...

The Division of Industries and Farms changed its name to PEN Products in November of 1993.

Indiana Code 1998, 5-22-11, mandates that all state agencies and political subdivisions of the state shall purchase from the Department goods produced or manufactured by the Department as listed in the department's printed catalogue, providing those goods meet the specifications and needs of the purchasing governmental body and can be purchased at a fair market price.



Message from Director Mike Herron

Greetings:

In 2010, PEN Products moved their headquarters and continued streamlining of operations. PEN Products continues to serve the Department of Correction, Indiana government, the taxpayers of Indiana and the offenders with the Department of Correction. Offender work assignments provide offenders with opportunities to earn responsibility, obtain a work ethic, acquire marketable job skills and develop a sense of self-worth. Over 97% of Indiana's incarcerated population returns to our communities. We want them to be equipped to find a job and remain law abiding citizens. However, there are more offenders than PEN Products work assignments. PEN Products remains optimistic that we can continue to grow offender jobs through the growth of joint ventures, traditional industries and our commissary/distribution businesses.

Focused on streamlining operations, re-deployment of staff, managing resources more efficiently and engaging in new, viable industries remain important to accomplishing our mission. PEN Products remains committed to creating offender jobs and doing so in a self-sustaining manner.

PEN Products continues its efforts to prepare offenders for re-entry by enrolling and graduating offenders in the U.S. Department of Labor Apprenticeship program. Additional efforts in Job Placement, Career Resource Centers and Job Clubs have been implemented within PEN Products.

My thanks goes out to our loyal customers, without your business and continued support, nothing would have been possible. We value your business and the opportunity to serve you. Additionally, my thanks go out to our dedicated staff, whose service with a purpose is much appreciated.

In 2011, by "Providing valuable products and services-Preparing offenders for a successful re-entry".

PEN Products' Locations



 Industry Operation

Products & Services

Branchville Correctional Facility

Pallet Repair (JV)
Toilet Tissue

Correctional Industrial Facility

Automotive Part
Refurbishing (JV)
Medical Device
Refurbishing (JV)

Indiana State Prison

Cell Doors
Digital License Plates
Metal Lockers and
Shelving
Metal Storage Cabinets
Outdoor Grills
Security Beds
Work Crews

Indiana Women's Prison

Hand Sewing (JV)
Design Engineering
Support

Indianapolis Re-Entry Educational Facility

Moving Crew
Administrative Support

Miami Correctional Facility

Offender Clothing
Janitorial Products
Laundry Products
Wire Harness (PIECP)
Warewash Products
Packaging (JV)
Industrial Filters (PIECP)
Embroidered Products
Silk Screen Products
Braille Accessible Media,
Large Print

Pendleton Correctional Facility

Chairs
Dormitory Furniture
Office Furniture
Lounge Furniture

Plainfield Correctional Facility

Commercial Laundry
Commissary
Data Conversion - GIS
(JV)
Fulfillment
Distribution Center

Putnamville Correctional Facility

Pallet Repair (JV)
Park Furniture
Picnic Tables
Shelter Houses

Rockville Correctional Facility

Mattresses
Offender Clothing

Wabash Valley Correctional Facility

Printing Services including:
Full Color Process, NCR
Forms,
Envelopes, Stickers,
Booklets,
Flyers, Posters,
Brochures
Sewing (PIECP)
Wire Harness (PIECP)

Westville Correctional Facility

Highway Signs
Pallet Repair (JV)
Plastic Recycling (JV)

Please note the following:

PIECP = Prison Industries
Enhancement
Certification Program

JV = Joint Venture

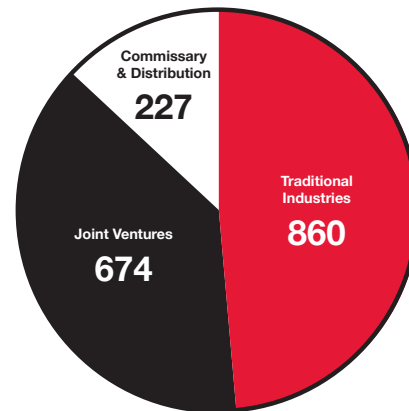
Offender Employment

By Location

CORRECTIONAL FACILITY	NUMBER OF OFFENDER JOBS*
Branchville	73
Correctional Industrial Facility	210
Indiana State Prison	109
Indiana State Prison Farm	2
Indiana Women's Prison	4
Miami	497
Pendleton	77
Plainfield	304
Indianapolis Re-Entry Educational Facility	29
Putnamville	121
Rockville	73
Wabash Valley	186
Westville	76
Grand Total	1,764

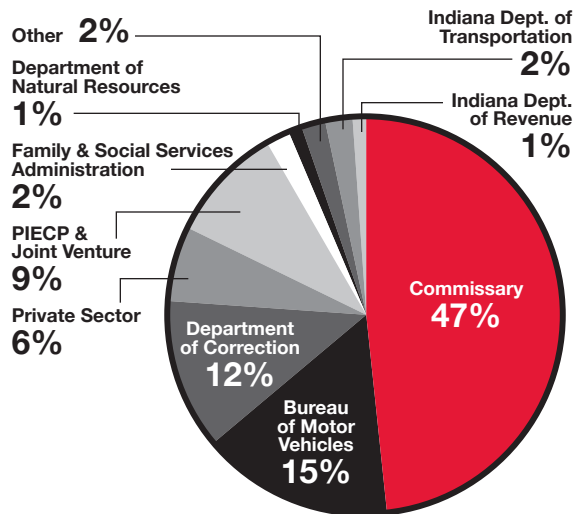
* Offender Information System (OIS)

By Business Group

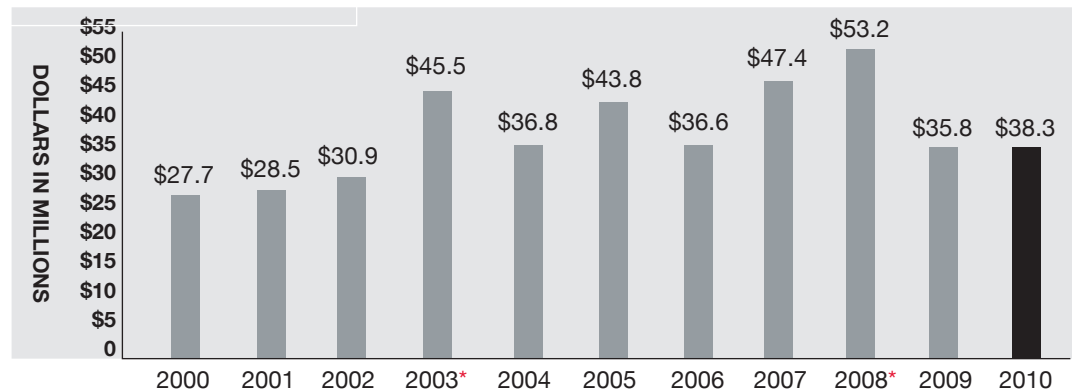
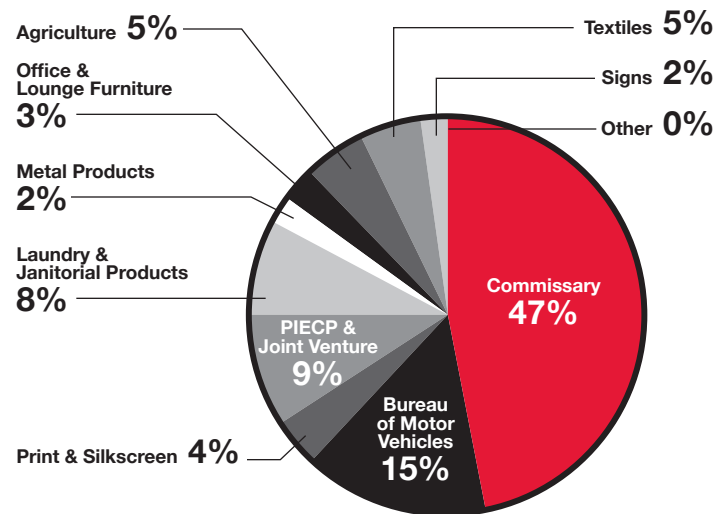


Fiscal Year 2010 Sales

By Customer



By Product Line



(For the 12 months ending June 30th)

* General issue license plate renewal year.

PEN Products' Accomplishments

PEN Central Office Moves

On March 1, 2010, PEN Products moved its central office administration and showroom to the grounds of the Indianapolis Re-entry and Education Facility (IREF). IREF is a 440 adult male facility focusing on long term sentenced offenders that are within eighteen months of release to the Indianapolis area. PEN Products' move to a building with outside access allows for thirty-one (31) resident offenders to work in the PEN administrative functions including finance, marketing and sales, and building administration. The offender residents are learning job skills and are involved in the business activities of customer service, accounting, office administration, and building maintenance. Additionally, a crew of residents is also involved in an outside moving crew, moving offices for state agencies across the state.



Sandra Roark receiving award

PEN Staff Recognized Nationally

Sandra Roark, Plant Manager at Miami Correctional Facility (MCF), was chosen as the recipient of the Central Region Staff Award and named to the 2010 NCIA Honor Roll at the National Correctional Industries Association (NCIA) Conference Awards Banquet.

PEN Staff Members Awarded Governor's Public Service Award

May 5, 2010 PEN staff members Doug Evans and Lisa Williams along with two other Indiana Department of Correction professionals were awarded the 2010 Governor's Public Service Achievement Award. The four recipients won as a part of an Indiana Department of Correction Apprenticeship Team. Together they collectively focused efforts in changing offenders' lives and enhancing staff knowledge and skills by implementing the U.S. Department of Labor Apprenticeship Program. The earning of the U.S. DOL Apprenticeship qualifies offenders for a 6 month sentence cut and has saved Indiana taxpayers over 4 million dollars.



Center recipients: Doug Evans, and Lisa Williams receiving Governor's Award



New Operations

May 2010, PEN Products commenced operations at the Correctional Industrial Facility (CIF) by implementing a partnership with a private sector company. Over 170 offender jobs were created during the year. The industrial space at CIF had been idle. Besides providing work for offenders and training of valuable job skills, the 70,000 square foot vacant food processing plant was redeployed into a hub of work opportunities, reducing idleness and exposing offender workers to valuable on-the-job training.



Miami Accessible Media Project Awarded Grant

Since its inception in May of 2008, the Miami Correctional Facility's Miami Braille Project has grown in size, as well as notoriety. The program has doubled the number of offenders with 41 currently working in the project and added two new operations within the project continuing to fill the gaps of the education system for those who have visual disabilities. These new operations include the large print production and accessible PDF textbooks. The program has adopted the new name, the Miami Accessible Media Project (MAMP), which better reflects the additions of these new operations to the Braille transcription.

Commissary & Distribution

Top Selling Items for Fiscal Year 2011:

1. Ramen Noodles - 7,956,243
2. Nacho Tortilla Chips - 212,600
3. BBQ Corn Chips - 234,477
4. Refried Beans - 229,639
5. Microwave Popcorn - 432,591
6. Coffee - 471,152

250
Offender
Workers

5,000
Orders
Processed Daily

1,300,000
Orders
Processed
Annually



Commissary,
Picking orders



Commissary,
taking inventory

Distribution

PEN Products started labeling AA and AAA batteries with a UPC code label for a distributor in August of 2009. Our offender labor averages 1,000 packages per month.

PEN Products Distribution Center is assembling and packing operation called, I Care, that the offenders families order and purchase.

The recycling program, since started in 2008 of the fiscal year, recycles approximately 32 tones of card board a month.



Commissary,
packing orders

Joint Ventures

PEN Products continues its emphasis to increase offender employment through joint ventures with private sector industry and under the Prison Industry Enhancement Certification Program (PIECP).

Joint Ventures include partnerships with private sector businesses to manufacture or assemble their product within the walls and fences of the Indiana Department of Correction and to perform services.

PIECP Programs

Administered by the Bureau of Justice Assistance within the U.S. Department of Justice, PIECP enables correctional facility administrators to establish joint ventures with private sector companies for the production of offender-made goods involved in interstate commerce. PEN Products has four active PIECP operations employing over 150 offender workers.

PIECP participation is an effective way to curb idleness among an ever-increasing prison population and a cost-effective means of providing offenders with marketable job skills. Additionally, taxpayers and the general public benefit from PIECP through reductions in incarceration costs, contributions to the Victims of Violent Crime Compensation Fund and deductions for federal, state, and local taxes.

The PIECP program was assessed by the Bureau of Justice Assistance and was found to be in full compliance with the PIECP guidelines.

Services

Work performed by offender workers on products for private sector companies that remain within the state are considered services.

Work performed as remanufacturing or repair work is also considered services. Offender employment in services reached over 500 offender workers.

New service added this year:

- Brake Remanufacturing - Correctional Industrial Facility

PEN Products welcomes new partnerships and the opportunity to work with private business.

PIECP Wages & Deductions



TOTAL	FY 2005	FY 2006	FY 2007	FY 2008	FY2009	FY2010
Total Man Hours Worked	357,241	351,067	318,081	255,810	198,006	209,948
Total Gross Wages Paid	\$2,469,535	\$2,440,241	\$2,303,335	\$2,018,158	\$1,554,441	\$1,744,218
Total Contributions to Victims' Programs	\$247,314	\$244,030	\$230,339	\$201,811	\$155,480	\$174,423
Total Federal Tax & Social Security Withheld	\$296,055	\$295,367	\$261,691	\$244,717	\$168,158	\$197,029
Total State & Local Tax Withheld	\$90,617	\$89,655	\$85,547	\$75,270	\$59,378	\$74,485
Total Deductions for Incarceration Costs	\$987,338	\$976,095	\$921,335	\$807,219	\$621,904	\$697,544

PEN Products Job Placement Program is a selective placement program for offenders who have proven their skills and work ethic. Job Placement is PEN Products' newest program initiated in April 2008. It has been developed to further assist former PEN offender workers in their re-entry efforts. The mission of the PEN Products' Job Placement Program is to decrease recidivism by connecting released offenders with meaningful employment. The Job Placement Program has two segments. The first is to prepare offenders for free world employment by teaching offender workers the necessary soft skills to accompany their U.S. Department of Labor certified on-the-job training. The second part of the program is to develop a network of private businesses willing to interview and hire qualified ex-offenders. In the future PEN Products will be able to measure the success of the program and the changes in recidivism rates impacted by the program.

PEN Products Job Placement Program provides offender services including: job search training, career development planning, community resource referrals, pre and post release mentoring and employment referrals and placement.

PEN Products Job Placement Program provides the community with a pool of motivated skilled workers, education and collaboration. Over 1,700 offenders have been provided employment search services and resources at varying levels through PEN's Job Placement Program since its inception in 2008. Career development curriculum is in the preliminary stages. Once completed, it will be offered to Job Placement participants within 6 months of release.

Job Placement



Plainfield Correctional Facility
Apprenticeship graduation class of 2010

Apprenticeship Programs

IDOC and PEN Products staff were recognized in May 2010 with the Governor's Public Service Award for their work. As pointed out in a video from the United States Department of Labor Office of Apprenticeship, Indiana is a model for other states with 1,998 offenders and 812 Indiana Department of Correction Staff currently enrolled in the United States Department of Labor Apprenticeship Program.

PEN Products registered its first Apprenticeship occupation with the U.S. Department of Labor at the Wabash Valley Correctional Facility April of 2006. The U.S. Department of Labor Apprenticeship is a valuable certification and can play a major role in helping men and women find employment upon release. Statistics show that when ex-offenders are re-arrested, 85% of them are unemployed. Meaningful employment is vital in transitioning from prison to the free world.

PEN Products has active Apprenticeship programs in thirteen facilities training 31 different occupational titles. 1,027 PEN Products offender workers have completed the program and have received their U.S. Department of Labor Apprenticeship Completion Certificate.

Over 3,000 offenders have been enrolled since the program's beginning with current enrollment being in excess of 1,100 offenders. After an offender completes their Apprenticeship to become a journey worker, he or she trains other offenders working on their Apprenticeship in that industries shop. Offenders that successfully complete their Apprenticeship qualify for up to a six month sentence cut.



Purchase Products—Support Re-Entry



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